
DIGEST

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HB 235 Original

2025 Regular Session

Echols

Abstract: Increases the rate of excise tax on consumable hemp products from 3% of the retail sales price to 20% of the retail sales price and dedicates revenues collected from the tax.

Present law defines "consumable hemp" as any product derived from industrial hemp that contains any cannabinoid, including cannabidiol or THC, and is intended for consumption or topical use.

Present law levies an excise tax of 3% of the retail sales price for each retail sale of consumable hemp products purchased in this state. Requires the excise tax to be levied in addition to state and local sales and use tax or any other tax.

Proposed law increases the rate of excise tax on consumable hemp products from 3% of the retail sales price to 20% of the retail sales price.

Present law dedicates all revenues collected from the excise tax on consumable hemp products to the La. Early Childhood Education Fund established by present law. Proposed law changes present law to provide that revenues from the tax shall be dedicated as follows:

- (1) 15% shall be dedicated to the La. Early Childhood Education Fund established by present law.
- (2) 30% shall be dedicated to the Criminal Justice and First Responder Fund established by present law.
- (3) 30% shall be dedicated to the Drug Abuse Education and Treatment Dedicated Fund Account established by present law.
- (4) 25% shall be dedicated to the Consumable Hemp Testing and Regulation Fund established by proposed law.

Proposed law establishes the Consumable Hemp Testing and Regulation Fund as a special fund in the state treasury and requires that the monies in the fund be utilized to support the operations of the preferred university-affiliated laboratory in La. that tests consumable hemp products pursuant to the provisions of present law. If no such laboratory is operational and fully approved by the La. Department of Health (LDH) for consumable hemp testing, then proposed law requires that the monies in the fund be utilized to support the operations of any laboratory affiliated with a public university of this state and fully approved by LDH for consumable hemp testing. If no

university-affiliated laboratory in this state is fully approved by LDH for consumable hemp testing, then proposed law requires that the monies in the fund be utilized to support the activities of LDH undertaken to regulate consumable hemp products in accordance with present law.

Proposed law applies to taxable periods beginning on or after July 1, 2025.

Effective July 1, 2025.

(Amends R.S. 15:1224(A) and R.S. 47:1693(A) and 1696; Adds R.S. 39:100.254)